

DOCUMENT RESUME

ED 196 157

EA 013 226

AUTHOR Moll, Emmett J.
 TITLE Court-Ordered Desegregation--The Fiscal Impact on Milwaukee Public Schools.
 PUB DATE 28 Oct 80
 NOTE 8p.: Paper presented at the Annual Meeting of the Association of School Business Officials (66th, New Orleans, LA, October 26-30, 1980).
 EDRS PRICE MF01/PC01 Plus Postage.
 DESCRIPTORS Busing; Cost Effectiveness; *Desegregation Effects; *Desegregation Litigation; *Desegregation Methods; Elementary Secondary Education; Expenditures; Federal Aid; *School Desegregation; State Aid
 IDENTIFIERS Milwaukee Public Schools WI

ABSTRACT

A discussion of the fiscal impact of court-ordered desegregation on the Milwaukee (Wisconsin) public schools delineates the conditions and costs for the program from 1976 to 1979. The court order affected 75 percent of the district's students. In response the school district established a number of specialty schools and provided for the busing of almost 40,000 pupils. The costs of desegregation included bus transportation; the opening, equipping, and additional staffing of specialty schools; attorneys' fees; and human relations programs. The revenue needed to finance the plan came largely from two sources, the federal government and the state of Wisconsin. (Author/WD)

 * Reproductions supplied by ERS are the best that can be made *
 * from the original document. *

ED196157

Moll, Emmett, COURT-ORDERED
DESEGREGATION -- THE FISCAL
IMPACT ON MILWAUKEE PUBLIC
SCHOOLS, November, 1980.

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

THIS DOCUMENT HAS BEEN REPRO-
DUCED EXACTLY AS RECEIVED FROM
THE PERSON OR ORGANIZATION ORIGIN-
ATING IT. POINTS OF VIEW OR OPINIONS
STATED DO NOT NECESSARILY REPRESENT
OFFICIAL NATIONAL INSTITUTE OF
EDUCATION POSITION OR POLICY

Abstract

This report describes the history of a large city school desegregation court action and the cost of the court-ordered remedy. A list of desegregation costs is included for the school years 1976-77, 1977-78 and 1978-79. Specific costs such as pupil transportation and attorney's fees are identified. The report also includes a history of specialty and magnet schools associated with the desegregation plan along with pertinent school statistics.

EA 013 226

"PERMISSION TO REPRODUCE THIS
MATERIAL HAS BEEN GRANTED BY

E. J. Moll

DISCUSSION GROUP
SCHOOL FINANCE RESEARCH COMMITTEE

ASBO's 66th Annual Meeting and Exhibits
1:30 - 2:30 p.m., Tuesday, October 28, 1980
Room 16, Rivergate Convention Center
New Orleans, Louisiana

COURT-ORDERED DESEGREGATION --
THE FISCAL IMPACT ON MILWAUKEE
PUBLIC SCHOOLS

Emmett J. Moll, Division Head
and Budget Director
Division of Planning and
Long-Range Development
Milwaukee Public Schools
Milwaukee, Wisconsin 53201
Phone: 414/475-8237

I have been asked by your committee to discuss the fiscal impact of court-ordered desegregation on one local school district. That district is Milwaukee Wisconsin. Milwaukee Public Schools serves a district that comprises the City of Milwaukee, a city of more than 600,000 population, 88,500 pupils, and 96 square miles.

The court decision came from a class action which commenced in 1965. The case came to trial in 1973 and 1974, and a decision was handed down by the court in January, 1976, requiring Milwaukee Public Schools to implement a desegregation plan in September of 1976. The school district implemented the plan and then appealed the decision. The United States Supreme Court vacated the order of the District Court and remanded the case to the Court of Appeals. That court remanded the case to the District Court for further proceedings to determine whether the Milwaukee Public Schools had operated with an intent to segregate and what effects resulted, if any, from that action. The court found in June, 1978, that the defendant had administered the school system with segregative intent and that an interim desegregation plan be implemented in the 1978-79 school year.

In March, 1979, an agreement was reached by the plaintiffs and the defendants as to a remedy. Time for further appeal expired in the summer of 1980, and the desegregation process was finally set and stability returned to the school system insofar as pupil and staff assignments were concerned.

The order requires the desegregation of 75% of the students. A desegregated elementary or middle school is defined as one which has an enrollment of between 25% and 60% black. A high school is defined as desegregated when it is between 20% and 60% black.

To accomplish the pupil portion of the desegregation order, the Milwaukee Public School system established a number of specialty schools and provided for the bussing of pupil volunteers. Milwaukee has almost 40,000 of its 88,500 pupils on busses. Milwaukee contracts with private school bus companies and also provides bus passes on the County's transit system. Generally, elementary school pupils are transported by school bus and secondary pupils by County bus pass.

Desegregation cost factors included the expenses of bus transportation, the extra cost of opening and equipping specialty schools, the cost of added staff for specialty schools, attorney's fees, and human relations programs.

When the desegregation process was implemented in 1976 Milwaukee Public Schools made an effort to keep cost records related to the plan. This was necessary to comply with state and federal requirements as Milwaukee Public Schools received funding from both sources. Costs for the first three years of desegregation are as follows:

<u>Year</u>	<u>Total Expenditures for Desegregation</u>	<u>State Aid</u>	<u>Federal Aid</u>
1976-77	\$ 9,475,000	\$ 6,926,000	\$ 2,375,000
1977-78	17,477,000	11,318,000	5,252,000
1978-79	16,865,000	13,530,000	5,323,000

Some examples of cost items associated with desegregation are:

Plaintiff's Attorney's Fees	\$ 892,778
MPS Attorney Fee	880,866
Pupil Transportation (1979-80)	10,717,000
Pupil Transportation (1980-81)	8,207,000

At one time or the other, the local school budget contained provisions for more than 100 additional specialty school teachers, 135 school aides and additional support personnel which were needed to implement the specialty schools which were part of the desegregation plan. Expenditures for the remodeling of an old school to be a school for the gifted and talented amounted to more than \$300,000. Another elementary school was equipped to serve as a German language school at a cost of \$85,000, and a school was modified to serve as a school for the creative arts at a cost of \$320,000. A career specialty program was created in each Milwaukee High School. This program was operated in the school along with the regular high school curriculum. Some examples of costs of providing facilities and equipment for some of these high school specialties were:

a) Medical/Dental	\$ 325,000
b) Food Service/Recreation	320,000
c) Agribusiness	1,100,000
d) Transportation (includes diesel technology)	1,050,000

There may be future costs which are at present not determined, such as the requirements of 504 regulations for accessibility for the handicapped. These regulations may require Milwaukee Public Schools to modify such buildings which are not accessible and which house specialty programs of one of a kind.

The additional revenue needed to finance the plan generally came from two sources. The federal revenue was in the form of grants from Title VII (now Title VI) ESAA, Magnet Schools funding, and Follow-the-Child funds. For instance, the 1980-81 Basic Grant is \$3,458,896, and the Magnet Schools Grant for that year is \$4,124,026. The funding from the federal Basic Grant provided for a considerable effort in remediation of basic skills (reading and mathematics), human relations activities, and staff development. Funds for Follow-the-Child generally were of the compensatory education nature. The Magnet School project provided for the added costs connected with the development and operation of the various specialty schools. The federal funds, although very helpful, are categorical and can be expended only for new and additional efforts and for costs approved by the federal guidelines. This situation restricts the use of federal funds in solving many of the financial crises connected with the desegregation process.

The second source of outside funding was through the special transfer aid provided by the State of Wisconsin. Milwaukee was most fortunate to have this state funding provision which relieved the local property taxpayer of most of the burden of providing for the desegregation process. This is defined in Chapter 121.85 of the Wisconsin statutes. However, it is popularly known as the Chapter 220 transfer plan since it was first listed there. There are two provisions of this aid plan. The best known is the part which provides for the transfer of a minority student from a district which has at least 30% of its enrollment as minority students to a district which has less than 30% minority enrollment. Likewise, a non-minority student from a district having less than 30% minority enrollment can transfer to the district with more than 30% minority. The state will pay the complete cost of tuition to the receiving district plus the cost of transporting the student to the new district. In addition, the sending district is allowed to count the transferring student, for state aid purposes, as if enrolled in the district of residence. Suburbs found this financially attractive at a time when they were faced with spare classroom space and declining enrollments. Twelve suburban districts chose to participate in the transfer plan.

The second portion of the special transfer plan was even more financially significant to Milwaukee. This portion, labeled intradistrict, provided for the transfer of minority pupils from attendance areas having more than 30% minority pupils to schools whose attendance areas are less than 30% minority and the transfer of non-minority pupils from attendance areas with less than 30% minority pupils to schools with attendance areas with more than 30% minority enrollment. The law provides that the eligible pupils transferred in this manner can be counted as 1.365 pupils for state aid purposes. As I mentioned earlier, Milwaukee received approximately 6.9 million, 11.3 million, and 13.5 million in the first three years of the desegregation plan from this state provision. Our 1980-81 budget has an estimate of 16.2 million for this aid.

Without the funding provided for by the state and federal governments, the district of Milwaukee would have found itself in a financial crises due to its efforts to comply with the court order to desegregate its schools.

Attachment: Desegregation data sheet for Milwaukee
Public Schools for 1980-81 school year

MILWAUKEE PUBLIC SCHOOLS
SPECIALTY SCHOOLS

Senior High City-Wide Specialty Schools

Developmental High School	School for the College Bound
Health and Science Technology	Open Education
Vocational-Technical School	

Senior High Career Specialty Programs

Law, Law Enforcement & Protective Services	Applied Technology
Communications and Media	Medical, Dental and Health
Energy and Environment	Transportation
Tourism, Food Service, and Recreation	Community Human Services
Visual and Performing Arts	Marketing and Word Processing
Computer Data Processing	Visual and Performing Arts
Agribusiness & Natural Resources	Computer Data Processing
	Satellite Centers - Law, Art, Government and Economics

Middle City-Wide Specialty Schools

Multi-Unit/Individually Guided Education (4 schools)	Multi-Unit/Career Guidance Specialty (1 school)
Traditional/Regular (7 schools)	Fundamental (2 schools)
Multi-Unit with Academic Emphasis (1 school)	Multi-Unit/Technical Education Specialty (1 school)
Gifted & College Bound (1 school)	Open Education (1 school)

Elementary City-Wide Specialty Schools

Montessori (1 school)	Traditional/Regular (69 schools)
Continuous Progress (3 schools)	Teacher/Pupil Learning Center (2 schools)
Multi-Language (1 school)	Creative Arts (1 school)
Multi-Unit/Individually Guided Education (6 schools)	Fundamental (2 schools)
Creative Arts (1 school)	Physically Handicapped (1 school)
Multi-Language (1 school)	Program for Retarded (1 school)
Environmental Education (1 school)	Health/Physical Education/ Science (2 schools)
Bilingual Develop. Center (1 school)	Open Education (2 schools)
Gifted and Talented (1 school)	

* * * * *

DESEGREGATION EXPENDITURES

<u>Year</u>	<u>Total Expenditures For Desegregation</u>	<u>State Aid</u>	<u>Federal Aid</u>
1976-77	\$ 9,475,000	\$ 6,926,000	\$ 2,375,000
1977-78	17,477,000	11,318,000	5,252,000
1978-79	16,865,000	13,530,000	5,323,000
1979-80 Budget		15,000,000	7,193,984
1980-81 Budget		16,200,000	7,582,922

1980-81
MILWAUKEE PUBLIC SCHOOLS
ENROLLMENT, BUDGET, TRANSPORTATION

Enrollment

Ethnic Category	Percent of Enrollment
American Indian	1.3
Black	46.9
Asian	0.8
Spanish	6.0
White	44.1
Other	0.5
Unknown	-
TOTAL	<u><u>100.0</u></u>

Budget

	1980-81 Budget	Tax Rate for 1980-81*
School Operations Fund	\$272,583,065	\$16.00
Construction Fund	6,482,706	.60
Extension Fund	6,467,651	.77
Categorically Funded Programs	28,229,492	--
TOTAL	\$313,762,914	\$17.37

*Based on 1980 preliminary assessed valuation.

Bus Transportation

	School Buses	County Transit System	Curb-to-Curb Special Buses	Total
Handicapped	1,800	1,600	2,600	6,000
Regular	6,200	3,660		9,860
Desegregation	<u>11,000</u>	<u>11,540</u>		<u>22,540</u>
TOTAL	<u><u>19,000</u></u>	<u><u>16,800</u></u>	<u><u>2,600</u></u>	<u><u>38,400</u></u>

Footnote: Does not include 2,300 private school pupils being transported.

September, 1980